

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Brady Hill

Applicant: Housing Authority of the County of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$8,000,000

Project Information:
Name: Normandie Senior Housing Apartments
Project Address: 1335 W. 105th Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90044

Project Sponsor Information:
Name: Normandie Senior Housing Partners, L.P. (The Southern Housing Development Corporation of Los Angeles)
Principals: Orlando J. Cabrera, Richard Whittingham & Rebecca F. Clark

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bank of America, N.A.
TEFRA Hearing Date: September 15, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 61, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (61 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

| | | | |
|---|----|------------|------------------------------------|
| Estimated Total Development Cost: | \$ | 15,257,284 | |
| Estimated Hard Costs per Unit: | \$ | 156,607 | (\$9,553,023 /61 units) |
| Estimated per Unit Cost: | \$ | 250,119 | (\$15,257,284 /61 units) |
| Allocation per Unit: | \$ | 131,148 | (\$8,000,000 /61 units) |
| Allocation per Restricted Rental Unit: | \$ | 131,148 | (\$8,000,000 /61 restricted units) |

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|--------------------------------|---------------------|------------------|
| Tax-Exempt Bond Proceeds | \$ 8,000,000 | \$ 749,529 |
| Developer Equity | \$ 0 | \$ 500,000 |
| LIH Tax Credit Equity | \$ 250,000 | \$ 4,530,797 |
| Direct & Indirect Public Funds | \$ 6,230,654 | \$ 9,476,958 |
| Total Sources | \$ 14,480,654 | \$ 15,257,284 |

| Uses of Funds: | |
|------------------------------|---------------|
| On & Off Site Costs | \$ 1,575,403 |
| Hard Construction Costs | \$ 7,977,620 |
| Architect & Engineering Fees | \$ 1,818,077 |
| Contractor Overhead & Profit | \$ 1,116,867 |
| Developer Fee | \$ 1,000,000 |
| Cost of Issuance | \$ 137,250 |
| Capitalized Interest | \$ 618,240 |
| Other Soft Costs | \$ 1,013,827 |
| Total Uses | \$ 15,257,284 |

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points: 95.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$8,000,000 in tax exempt bond allocation on a carryforward basis.

ATTACHMENT A

EVALUATION SCORING:

| Point Criteria | Maximum Points Allowed for Non-Mixed Income Projects | Maximum Points Allowed for Mixed Income Projects | Points Scored |
|---|--|--|---------------|
| Federally Assisted At-Risk Project or HOPE VI Project | 20 | 20 | 0 |
| Exceeding Minimum Income Restrictions: | 35 | 15 | 35 |
| Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10] | [10] | 10 |
| Gross Rents | 5 | 5 | 5 |
| Large Family Units | 5 | 5 | 0 |
| Leveraging | 10 | 10 | 10 |
| Community Revitalization Area | 15 | 15 | 0 |
| Site Amenities | 10 | 10 | 7.5 |
| Service Amenities | 10 | 10 | 10 |
| New Construction | 10 | 10 | 10 |
| Sustainable Building Methods | 8 | 8 | 8 |
| Negative Points | -10 | -10 | 0 |
| Total Points | 118 | 98 | 95.5 |

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.